

# 2011 Property Tax Report

## Vigo County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Vigo County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Vigo County

The average homeowner saw a 1.9% tax bill decrease from 2010 to 2011.
Homestead taxes in 2011 were 28.2% lower than they were in 2007, before the property tax reforms.
87.2% of homeowners saw lower tax bills in 2011 than in 2007.
50.4% of homeowners saw tax decreases of between 1% and 9% from 2010 to 2011.
The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	6,557	28.0%	2,632	11.2%
No Change	1,470	6.3%	358	1.5%
Lower Tax Bill	15,402	65.7%	20,439	87.2%
<b>Average Change in Tax Bill</b>	<b>-1.9%</b>		<b>-28.2%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	1,461	6.2%	1,009	4.3%
10% to 19%	717	3.1%	517	2.2%
1% to 9%	4,379	18.7%	1,106	4.7%
0%	1,470	6.3%	358	1.5%
-1% to -9%	11,797	50.4%	1,804	7.7%
-10% to -19%	2,418	10.3%	2,926	12.5%
-20% to -29%	457	2.0%	4,621	19.7%
-30% to -39%	179	0.8%	4,495	19.2%
-40% to -49%	120	0.5%	2,708	11.6%
-50% to -59%	82	0.3%	1,176	5.0%
-60% to -69%	70	0.3%	511	2.2%
-70% to -79%	51	0.2%	358	1.5%
-80% to -89%	29	0.1%	349	1.5%
-90% to -99%	24	0.1%	268	1.1%
-100%	175	0.7%	1,223	5.2%
<b>Total</b>	<b>23,429</b>	<b>100.0%</b>	<b>23,429</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

★★★★★  
**TAX RATE DECREASES  
 REDUCED HOMESTEAD TAX  
 BILLS, DESPITE THE LOSS OF  
 STATE HOMESTEAD CREDIT**  
 ★★★★★

#### Homestead Property Taxes

Homestead property taxes decreased 1.9% on average in Vigo County in 2011. This was less than the state average increase of 4.4%. Vigo County homestead taxes were 28.2% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax decrease in 2011 was due to a decrease of tax rates in most Vigo tax districts. The phaseout of the state homestead credit in 2011 reduced the tax reduction for homeowners. The state homestead credit was 4.3% in Vigo County in 2010.

#### Tax Rates

Property tax rates declined in most Vigo County tax districts. The average tax rate declined by 2.4% because the increase in net assessed value exceeded a smaller increase in the levy. Levies in Vigo County increased by 0.4%. The biggest levy increases were in the county general fund and the Terre Haute general, highway, and parks funds. The biggest levy reduction was in the Terre Haute Sanitary debt service fund. Vigo County's total net assessed value increased 3.3% in 2011. (The certified net AV used to compute tax rates rose by 2.9%.) Homestead assessments decreased by 3.0%, and agricultural net assessments increased by 3.0%. Other residential assessments showed a small increase at 0.2%, while business net assessments increased by 8.0%.

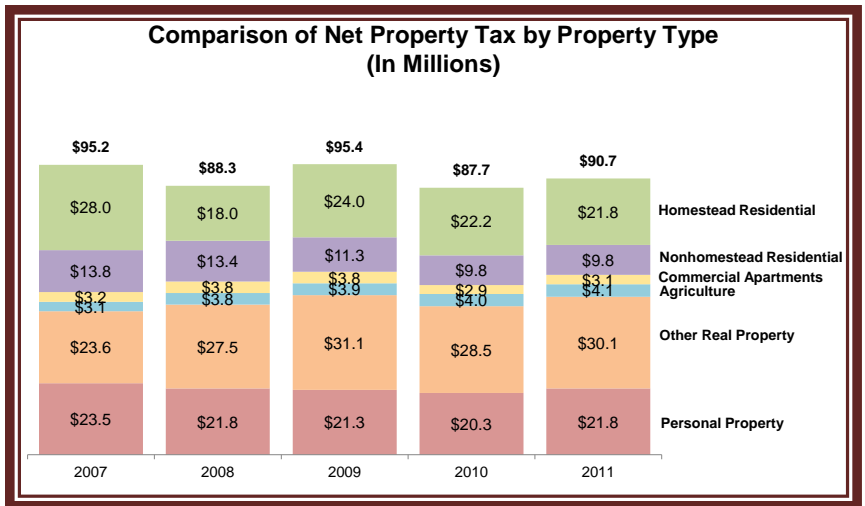
★★★★★★

*TAX INCREASES FOR AGRICULTURE,  
BUSINESS, AND APARTMENTS; A SMALL  
DECREASE FOR OTHER RESIDENTIAL*

★★★★★★

### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 3.5% in Vigo County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 0.3%. Tax bills for commercial apartments rose 7.3%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 6.5%. Agricultural tax bills rose 2.7%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED  
SUBSTANTIALLY IN 2011*

★★★★★★

Total tax cap credit losses in Vigo County were \$13.9 million, or 13.3% of the levy. This was greater than the state average loss rate of 9.2%, and much greater than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Vigo County's tax rates were higher than the state median.

About three-quarters of the total tax cap credits were split between the 2% nonhomestead/farmland category and the 3% business category. Vigo had several taxing districts with rates well above \$3, which made much property in all of the categories eligible for credits. The largest percentage losses were in the city of Terre Haute, the Terre Haute Sanitary District, the town of West Terre Haute, and Harrison and Lost Creek Townships. The largest dollar losses were in the Vigo County School Corporation, Terre Haute, and the county unit.

Vigo County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$3,141,438	\$6,024,944	\$5,750,218	\$147,627	\$15,064,227	14.6%
2011 Tax Cap Credits	3,096,051	5,386,366	5,294,638	145,556	13,922,610	13.3%
Change	-\$45,387	-\$638,579	-\$455,580	-\$2,071	-\$1,141,617	-1.3%

Tax cap credits decreased in Vigo County in 2011 by \$1.1 million, or 8%. The decline in credits

represents a gain of 1.3% of the total tax levy. Most of the decrease in tax cap credits was in the 2% and 3% tax cap categories, the result of lower tax rates. The elimination of the state homestead credit made the reduction in the 1% category smaller.

### The Effect of Recession

The 2009 recession had a mixed effect on Vigo County assessments for pay-2011. Homestead and other residential property values and construction activity appear to have fallen in Vigo County in 2009, but increases in business values and agricultural assessments offset this decline. Vigo County tax rates would have fallen more with greater assessment growth, which would have reduced tax cap credits more.

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*2009 RECESSION HAD A MIXED EFFECT  
ON ASSESSMENTS IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$2,888,270,230	\$2,829,502,360	-2.0%	\$1,159,915,620	\$1,125,643,628	-3.0%
Other Residential	524,248,700	523,526,100	-0.1%	519,738,012	520,627,098	0.2%
Ag Business/Land	218,115,600	224,723,900	3.0%	217,737,750	224,292,460	3.0%
Business Real/Personal	2,617,739,755	2,689,156,630	2.7%	1,882,369,770	2,032,794,835	8.0%
<b>Total</b>	<b>\$6,248,374,285</b>	<b>\$6,266,908,990</b>	<b>0.3%</b>	<b>\$3,779,761,152</b>	<b>\$3,903,358,021</b>	<b>3.3%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Vigo County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<b>County Total</b>	122,885,843	127,368,502	98,329,769	99,042,059	99,473,011	3.6%	-22.8%	0.7%	0.4%
State Unit	94,815	96,410	0	0	0	1.7%	-100.0%		
<b>Vigo County</b>	29,507,336	27,645,613	25,349,846	25,406,883	26,276,510	-6.3%	-8.3%	0.2%	3.4%
Fayette Township	68,214	80,600	81,252	85,613	90,288	18.2%	0.8%	5.4%	5.5%
Harrison Township	551,125	567,449	595,999	617,595	630,685	3.0%	5.0%	3.6%	2.1%
Honey Creek Township	32,647	33,285	34,598	35,892	36,458	2.0%	3.9%	3.7%	1.6%
Linton Township	46,627	44,071	50,537	52,532	53,570	-5.5%	14.7%	3.9%	2.0%
Lost Creek Township	88,211	90,279	95,228	98,718	100,869	2.3%	5.5%	3.7%	2.2%
Nevins Township	52,621	55,680	55,849	57,171	58,031	5.8%	0.3%	2.4%	1.5%
Otter Creek Township	211,259	221,038	212,220	217,096	213,457	4.6%	-4.0%	2.3%	-1.7%
Pierson Township	60,468	89,036	78,580	67,910	66,883	47.2%	-11.7%	-13.6%	-1.5%
Prairie Creek Township	40,926	41,181	14,004	16,371	16,917	0.6%	-66.0%	16.9%	3.3%
Prairieton Township	12,848	13,689	14,320	14,882	15,145	6.5%	4.6%	3.9%	1.8%
Riley Township	21,120	22,143	23,589	24,502	24,900	4.8%	6.5%	3.9%	1.6%
Sugar Creek Township	156,841	189,585	198,799	206,437	210,510	20.9%	4.9%	3.8%	2.0%
Terre Haute Civil City	27,348,936	27,461,719	26,549,975	27,618,996	28,424,624	0.4%	-3.3%	4.0%	2.9%
Riley Civil Town	15,620	16,564	17,647	18,196	18,721	6.0%	6.5%	3.1%	2.9%
Seelyville Civil Town	46,007	49,255	51,757	53,803	54,847	7.1%	5.1%	4.0%	1.9%
West Terre Haute Civil Town	366,488	423,205	450,109	443,890	479,907	15.5%	6.4%	-1.4%	8.1%
Vigo County School Corp	49,647,702	53,853,106	27,870,570	27,102,357	27,389,922	8.5%	-48.2%	-2.8%	1.1%
Vigo County Public Library	4,444,471	4,631,705	4,820,393	5,003,457	5,188,497	4.2%	4.1%	3.8%	3.7%
Terre Haute Sanitary	7,000,751	8,071,997	7,776,807	7,723,942	5,613,489	15.3%	-3.7%	-0.7%	-27.3%
Hulman Field Airport	1,181,241	1,144,871	1,190,837	1,244,551	1,302,692	-3.1%	4.0%	4.5%	4.7%
Honey Creek Fire Protection	1,247,781	1,517,727	1,787,364	1,816,969	1,857,994	21.6%	17.8%	1.7%	2.3%
New Goshen Fire Protection Dist	107,763	125,010	124,029	113,116	120,498	16.0%	-0.8%	-8.8%	6.5%
Lost Creek Fire Protection Dist	78,445	87,039	90,710	92,941	98,061	11.0%	4.2%	2.5%	5.5%
Prairieton Fire Protection Dist	57,419	61,487	64,191	201,829	203,171	7.1%	4.4%	214.4%	0.7%
Riley Fire Protection Dist	152,257	264,596	324,888	333,359	423,347	73.8%	22.8%	2.6%	27.0%
Clay-Owen-Vigo Solid Waste Mgt Dist	0	0	0	0	0				
Sugar Creek Township Fire Dist	245,904	470,162	405,671	373,051	503,018	91.2%	-13.7%	-8.0%	34.8%
Vigo County Redevelopment Comm	0	0	0	0	0				
Terre Haute Redevelopment Comm	0	0	0	0	0				

## Vigo County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
84001	Fayette Township	1.6607	--	--	--	--	--	--	1.6607
84002	Terre Haute City-Harrison Township	3.5126	--	--	--	--	--	--	3.5126
84003	Honey Creek Township	1.8894	--	--	--	--	--	--	1.8894
84004	Honey Creek Township-Sanitary	2.1109	--	--	--	--	--	--	2.1109
84005	Terre Haute City-Honey Creek Townsh	3.4696	--	--	--	--	--	--	3.4696
84006	Linton Township	1.6922	--	--	--	--	--	--	1.6922
84007	Lost Creek Township	1.7121	--	--	--	--	--	--	1.7121
84008	Lost Creek Township-Sanitary	1.9336	--	--	--	--	--	--	1.9336
84009	Terre Haute City-Lost Creek Township	3.4960	--	--	--	--	--	--	3.4960
84010	Seelyville Town	2.1981	--	--	--	--	--	--	2.1981
84011	Nevins Township	1.7185	--	--	--	--	--	--	1.7185
84012	Otter Creek Township	1.6964	--	--	--	--	--	--	1.6964
84013	Otter Creek Township-Sanitary	1.9179	--	--	--	--	--	--	1.9179
84014	Terre Haute City-Otter Creek Township	3.4800	--	--	--	--	--	--	3.4800
84015	Pierson Township	1.7012	--	--	--	--	--	--	1.7012
84016	Prairie Creek Township	1.9062	--	--	--	--	--	--	1.9062
84017	Prairieton Township	1.9095	--	--	--	--	--	--	1.9095
84018	Riley Township	1.9486	--	--	--	--	--	--	1.9486
84019	Riley Township-Sanitary	2.1701	--	--	--	--	--	--	2.1701
84020	Riley Town	2.2696	--	--	--	--	--	--	2.2696
84021	Sugar Creek Township	2.0105	--	--	--	--	--	--	2.0105
84022	West Terre Haute Town	3.5321	--	--	--	--	--	--	3.5321
84023	Terre Haute City - Riley Township	3.4835	--	--	--	--	--	--	3.4835
84024	Linton Township - Sanitary	2.1239	--	--	--	--	--	--	2.1239
84025	Fayette New Goshen Fire	1.7340	--	--	--	--	--	--	1.7340

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Vigo County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	3,083,088	5,367,775	4,906,978	144,338	13,502,178	99,473,011	13.6%
<i>TIF Total</i>	12,963	18,591	387,660	1,218	420,432	5,028,945	8.4%
<i>County Total</i>	3,096,051	5,386,366	5,294,638	145,556	13,922,610	104,501,956	13.3%
Vigo County	672,526	1,101,349	991,886	36,595	2,802,356	26,276,510	10.7%
Fayette Township	10	0	0	55	65	90,288	0.1%
Harrison Township	17,199	60,876	47,668	1,266	127,009	630,685	20.1%
Honey Creek Township	513	380	1,413	12	2,318	36,458	6.4%
Linton Township	36	1	0	69	106	53,570	0.2%
Lost Creek Township	12,787	4,461	1,289	125	18,661	100,869	18.5%
Nevins Township	77	0	0	137	214	58,031	0.4%
Otter Creek Township	133	0	3	315	451	213,457	0.2%
Pierson Township	126	0	0	53	179	66,883	0.3%
Prairie Creek Township	6	0	0	31	37	16,917	0.2%
Prairieton Township	17	0	0	95	112	15,145	0.7%
Riley Township	769	72	67	63	971	24,900	3.9%
Sugar Creek Township	861	4,158	3,268	253	8,539	210,510	4.1%
Terre Haute Civil City	1,258,602	2,359,074	2,227,383	46,730	5,891,789	28,424,624	20.7%
Riley Civil Town	198	573	0	39	810	18,721	4.3%
Seelyville Civil Town	49	1,201	0	100	1,351	54,847	2.5%
West Terre Haute Civil Town	2,044	52,882	43,234	261	98,421	479,907	20.5%
Vigo County School Corp	701,023	1,148,017	1,033,915	38,146	2,921,100	27,389,922	10.7%
Vigo County Public Library	132,795	217,470	195,855	7,226	553,347	5,188,497	10.7%
Terre Haute Sanitary	204,705	336,157	304,021	7,619	852,503	5,613,489	15.2%
Hulman Field Airport	33,341	54,601	49,174	1,814	138,930	1,302,692	10.7%
Honey Creek Fire Protection	29,595	15,312	0	567	45,474	1,857,994	2.4%
New Goshen Fire Protection Dist	50	0	0	167	217	120,498	0.2%
Lost Creek Fire Protection Dist	424	274	0	146	845	98,061	0.9%
Prairieton Fire Protection Dist	142	0	0	777	919	203,171	0.5%
Riley Fire Protection Dist	13,002	990	0	1,073	15,065	423,347	3.6%
Clay-Owen-Vigo Solid Waste Mgt Dist	0	0	0	0	0	0	
Sugar Creek Township Fire Dist	2,057	9,927	7,802	603	20,389	503,018	4.1%
Special Multi Units	0	0	0	0	0	0	
Special Multi Units	0	0	0	0	0	0	
Special Multi Units	0	0	0	0	0	0	
Special Multi Units	0	0	0	0	0	0	
Special Multi Units	0	0	0	0	0	0	
Special Multi Units	0	0	0	0	0	0	
Special Multi Units	0	0	0	0	0	0	
Special Multi Units	0	0	0	0	0	0	
Special Multi Units	0	0	0	0	0	0	
Special Multi Units	0	0	0	0	0	0	
Vigo County Redevelopment Comm	0	0	0	0	0	0	
Terre Haute Redevelopment Comm	0	0	0	0	0	0	
TIF - Terre Haute Harrison	8,629	9,487	268,244	0	286,361	2,197,690	13.0%
TIF - Lost Creek Twp	0	0	0	0	0	6,891	0.0%
TIF - Lost Creek San	126	0	0	94	220	12,372	1.8%
TIF - TH Lost Creek	2,434	8,272	116,675	332	127,712	843,312	15.1%
TIF - Riley Twp	1,638	0	0	792	2,430	98,027	2.5%
TIF - Riley San	0	234	0	0	234	8,877	2.6%
TIF - West Terre Haute Town	0	185	627	0	813	4,591	17.7%
TIF - TH Riley	135	413	2,113	0	2,661	27,699	9.6%
TIF - Linton San	0	0	0	0	0	1,829,486	0.0%
TIF - Honey Creek Twp	0	0	0	0	0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.